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FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

RECD S.E.C.
MAR 16 1992
137

Quarterly Report Pursuant To Section 13 or 15(d) of The Securities Exchange Act of 19

For Quarter Ended January 31, 1992 Commission file number 0-8422

TRANSACT INTERNATIONAL INC.
(Exact name of registrant as specified in its charter)

Connecticut	06-0732124
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
20 Thorndal Circle, Darien, Connecticut (Address of principal executive offices)	06820 (Zip Code)

Registrant's telephone number, including area code (203) 656-0777

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES X . NO .

Indicate the number of shares outstanding of each of the issuer's classes of Common Stock, as of March 11, 1992

6,093,235 shares of Common Stock, no par value.

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TRANSACT INTERNATIONAL INC. AND SUBSIDIARIES

FORM 10 Q - Quarter Ended January 31, 1992

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PART I: FINANCIAL INFORMATION

TRANSACT INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	January 31, 1992	April 30, 1991
	(Unaudited)	
ASSETS		
CURRENT ASSETS		
Cash	$ 33,220	$ 341,001
Accounts receivable, net of allowance for doubtful accounts of $50,000 and $36,200	465,803	1,861,542
Inventories	1,019,022	991,727
Billings in excess of costs and estimated earnings on uncompleted contracts	2,315,389	2,188,050
Prepaid expenses and other current assets	190,858	140,801
TOTAL CURRENT ASSETS	4,024,292	5,523,121
PROPERTY, PLANT AND EQUIPMENT, at cost less accumulated depreciation	2,223,184 (1,712,783)	2,178,358 (1,580,039)
	510,401	598,319
Other assets	225,400	358,257
	$4,760,093	$6,479,697
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Short-term borrowings	$ 960,000	$ 960,000
Accounts payable	1,600,348	2,694,000
Accrued expenses	724,070	685,100
Costs and estimated earnings in excess of billings on uncompleted contracts	205,156	-
Current maturities of long-term debt	7,130	16,218
TOTAL CURRENT LIABILITIES	3,496,704	4,355,318
STOCKHOLDERS' EQUITY		
Preferred stock, no par value, authorized 2,000,000 shares, none issued	-	-
Common stock, no par value, authorized 12,000,000 shares, issued 6,171,735	849,541	849,541
Additional paid-in capital	5,224,727	5,224,727
Treasury stock, at cost: 78,500 shares	(29,606)	(29,606)
Deficit	(4,781,273)	(3,920,283)
TOTAL STOCKHOLDERS' EQUITY	1,263,389	2,124,379
	$4,760,093	$6,479,697

See notes to consolidated financial statements.

TRANSACT INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended January 31		Nine Months Ended January 31,	
	1992	1991	1992	1991
	(Unaudited)			
NET SALES	$1,797,493	$2,912,415	$9,553,977	$8,839,824
COSTS AND EXPENSES:				
Cost of Sales	1,998,280	2,762,247	8,678,351	7,526,245
Selling & Administration	659,227	494,758	1,711,067	1,486,142
	2,657,507	3,257,005	10,389,418	9,012,387
LOSS FROM OPERATIONS	(860,014)	(344,590)	(835,441)	(172,563)
OTHER INCOME (EXPENSES):				
Interest expense	(21,462)	(8,040)	(67,555)	(31,670)
Other income	6,146	8,310	42,006	26,028
	(15,316)	270	(25,549)	(5,642)
NET LOSS	$ (875,330)	$ (344,320)	$ (860,990)	$ (178,195)
NET LOSS PER SHARE OF COMMON STOCK	$ (0.14)	$ (0.06)	$ (0.14)	$ (0.03)
WEIGHTED AVERAGE SHARES OUTSTANDING	6,093,235	6,093,235	6,093,235	6,093,235

See notes to consolidated financial statements.

TRANSACT INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended January 31,	
	1992	1991
	(Unaudited)	
OPERATING ACTIVITIES:		
Net Loss	$ (860,990)	$ (178,195)
Adjustments to reconcile net income to net cash:		
Depreciation of property, plant and equipment	132,744	143,729
Amortization of intangibles	132,571	56,100
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	1,395,739	102,268
(Increase) in inventories	(27,295)	(576,786)
(Increase) decrease in other current assets	(50,057)	93,303
(Increase) decrease in revenue recognized in excess of billings on uncompleted contracts, net	77,817	(274,275)
(Increase) in other assets	-	(269,795)
Increase (decrease) in accounts payable and accrued expenses	(1,054,682)	1,000,019
NET CASH (USED IN) PROVIDED FROM OPERATIONS	(254,153)	96,367
INVESTING ACTIVITIES:		
Additions to property, plant and equipment	(44,826)	(85,075)
Other investments	286	-
NET CASH USED IN INVESTING	(44,540)	(85,075)
FINANCING ACTIVITIES:		
Net proceeds (repayments) of short-term borrowings	-	240,000
Repayment of debt	(9,088)	(35,957)
NET CASH USED IN FINANCING ACTIVITIES	(9,088)	(204,043)
NET INCREASE (DECREASE) IN CASH	(307,781)	215,335
CASH, BEGINNING OF YEAR	341,001	12,233
CASH, AT END OF PERIOD	$ 33,220	$ 227,568
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid during the period		
Interest	$ 68,635	$ 33,942
Income taxes	-	-

See notes to consolidated financial statements.

TRANSACT INTERNATIONAL INC. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

1. The consolidated balance sheet as of January 31, 1992, the consolidated statements of operations and the consolidated statements of cash flows for the three and nine months ended January 31, 1992 and January 31, 1991 have been prepared by the Company, without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, the results of operations and changes in financial position at January 31, 1992 and all periods presented have been made.

   Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. It is suggested that these consolidated financial statements be read in conjunction with the financial statements and notes thereto included in the Company's April 30, 1991 annual report to stockholders. Seasonality is not a major factor in the Company's operations. The results of operations for the three and nine month period ended January 31, 1992 are not necessarily indicative of those for a full fiscal year.

2. Inventories consist of raw materials and manufacturing supplies at January 31, 1992 and April 30, 1991.

3. Amounts per share have been computed using the weighted average number of common shares outstanding during each period. No effect has been given to shares issuable pursuant to outstanding options as their effect would be antidilutive.

TRANSACT INTERNATIONAL INC. AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS:

Sales for the third quarter of 1992 decreased 38% to $1,797,493 as compared to the third quarter of 1992 sales of $2,912,415. During the quarter the Company completed work at Dover Air Force Base. Sales for the nine months of 1992 increased 8% to $9,553,997 from $8,839,834 reported for the same period last year.

Gross margins decreased significantly in both the three and nine month periods of 1992 as compared to the comparable periods of 1992. The decrease in the third quarter was principally attributable to low sales volume and cost overruns in completing two prototype transporters for the United States Air Force. Cost overruns in connection with the contract for equipment installed at the United States Air Force Base in Dover, Delaware negatively impacted both the three and nine month periods of 1992.

Selling and administrative expenses increased for both the three and nine months ended January 31, 1992 as compared to the three and nine months ended January 31, 1991. Selling and administrative expenses for the third quarter of 1992 include approximately $65,000 in costs related to the settlement of a Northstar Corporation ("Northstar") lease guarantee which Northstar defaulted on. The Company sold the Common and Preferred Stock of Northstar in July of 1989. Selling and administrative expenses also increased as a result of increased marketing efforts and normal inflationary factors. These increases more than offset the reduced expenses resulting from the suspension of our marketing efforts for computerized robotic car parking.

Interest expense was higher for the three and nine months of fiscal 1992 as compared to the comparable periods of 1991 as the Company had higher levels of short-term bank borrowings during this year.

LIQUIDITY AND CAPITAL RESOURCES:

Working capital decreased $640,215 in the first nine months of 1992. The Company does not anticipate any material capital expenditures and plans to finance its operations by generating cash from operations and possible financing of its facility in Memphis, Tennessee.

SALES BACKLOG:

The Company's sales backlog decreased to approximately $4.8 million as of January 31, 1992, this compares to a $12.6 million backlog as of January 31, 1991.

PART II: OTHER INFORMATION

TRANSACT INTERNATIONAL INC. AND SUBSIDIARIES

Item 6. Exhibits and Reports of Form 8-K.

(a) Exhibits - None.
(b) Reports on Form 8-K - None.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TRANSACT INTERNATIONAL INC.
Registrant

Date: March 13, 1992

Frank B. Carder
President

Date: March 13, 1992

John P. Nicoletti
Vice President, Finance